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INFO RUEHKK/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY

C O N F I D E N T I A L JERUSALEM 000169

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NEA FOR FRONT OFFICE; NEA/IPA FOR
GOLDBERGER/SHAMPAINE; NSC FOR ABRAMS/SINGH/PASCUAL;
TREASURY FOR SZUBIN/GRANT/HARRIS/NUGENT/HIRSON

E.O. 12958: DECL: 01/31/18
TAGS: [ECON](#) [EFIN](#) [PGOV](#) [ELAB](#) [KWBG](#)
SUBJECT: UNIONS STRIKE IN REACTION TO PM FAYYAD'S
REQUIREMENT THAT WEST BANKERS PAY THEIR UTILITY BILLS

REF: JERUSALEM 2359

Classified By: Acting Principal Officer Thomas M. Duffy, Reasons 1.4 (b)
) and (d).

11. (C) Summary: The Palestinian Authority (PA) now requires West Bank residents to show proof of having paid their water and electricity bills, and municipal taxes prior to receiving basic government services. Public sector employee associations are staging strikes demanding that the PA rescind this requirement. In reply, Prime Minister Fayyad noted the significant debt burden borne by the PA due to these unpaid bills and publicly condemned the "culture of bill dodging." Fatah leaders who have previously challenged Fayyad are providing the muscle behind these strikes, which seem well organized and which are impacting PA operations. End summary.

12. (SBU) Starting with a January 24 "warning strike," PA public sector employee associations have scheduled a series of strikes over a two week period to demand a wage increase, higher transportation allowances, and the rescission of a recent PA cabinet decision to withhold basic services from citizens who have failed to pay their utility bills. The strikers are focusing most of their attention on the PA requirement that proof of utility payment be shown prior to the issuance of PA documents, such as IDs, driver's licenses, passports, and birth certificates. (Note: This requirement is not enforceable in Hamas-controlled Gaza. End note.) PA Employees Association head Bassam Zakarneh, one of the principal organizers of strikes, warned publicly that an open-ended general strike may be launched after February 9, if the PA declines to take action. The General Union of Palestinian Teachers has also been involved in the strikes.

13. (SBU) At the close of a January 27 press conference, during which he reviewed his recent trips to Europe and Egypt, Prime Minister and Minister of Finance Salam Fayyad responded forcefully to a reporter's question about the utility payment requirement, according to press reports. Fayyad said it is imperative that the "culture of bill dodging" be broken. He asserted that it is irresponsible to accept the current situation and illogical to speak of reform when one quarter of the PA's budget goes to settling electricity and water bills. He said that the PA accumulates USD 500 million in debts per year from citizens' unpaid utility bills. Fayyad expressed surprise at the public reaction to the cabinet decision, particularly when telephone bills are regularly paid in full. He detailed some of the measures the PA is taking to

ensure that special consideration be given to those unable to pay their bills at this time. Local councils, for example, will be allocated funds to cover electricity expenses "of the poor segments and needy families."

14. (C) The union actions seem organized and serious; anecdotal reports about the implementation of USG-funded programs with the Ministry of Public Works and Housing suggest that the strikes are effectively stopping government business two days a week. The political muscle behind these strikes is coming from Fatah leaders who are trying to pressure and/or discredit the Fayyad's government (reftel).

DUFFY